GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:251
ANSWERED ON:25.02.2000
WHOLESALE PRICE INDEX
SUKDEO PASWAN;SUSHIL KUMAR INDORA

Will the Minister of FINANCE be pleased to state:

(a) Whether the Government are considering a proposal to change the present wholesale price index ;

(b) If so, the details thereof ; and

(c) the details of the differences between the two indices and the reasons therefor ?

Answer

ED
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI BALASAHEB VIKHE PATIL)

(a) Yes Sir

(b) With a view to reflecting adequately the changes that have taken place in the economy since 1981-82, a Working Group was constituted to consider the modalities for revision of the existing Wholesale Price Index series (WPI) with base 1981-82 = 100. The Group has now submitted its report to the Government and the new WPI series with base 1993-94 will be made operational shortly.

(c) Comparison of the new and the existing WPI series

Details	New WPI	Existing WPI
Base Year	1993-94	1981-82
No.of Items	435	447
No. of Price Quotations	1918	2371
Weights		
All Comm.	100.00	100.00
Primary Articles	22.02	32.29
Fuel Group	14.23	10.66
Manufactured Products	63.75	57.04
Items added	136	75
Items deleted	150	54

A more recent base year 1993-94 has been adopted so that the new series would capture the structural changes that have undergone in the economy since 1981-82. The composition of the new series has been rationalised by incorporating newly emerging and important items and deleting some unimportant items. Items with traded value of Rs.120 crores or more as per Annual Survey of Industries 1993-94 are included in the manufactured products group in the new series. As against this, the 1981-82 series, had included items with value of output of Rs. 20 crores or more as per ASI 1980-81. Due to the relatively slower growth of the agricultural sector, the weight of the primary group has declined while that of manufactured products group and fuel group has increased.